

SENATOR CLARK: Senator Warner, on the amendment.

SENATOR WARNER: Again, Mr. President, I rise to oppose the amendment being placed on LB 59. The issue here is only one, as I understand it, should be addressed and that is whether or not the state should absorb what I believe is still a fifty-four or fifty-five million dollar reduction in revenue by virtue of the Tax Recovery Act of 1981 during the next eighteen months, seventeen months, we are in February. This is kind of an experiment I guess in the Legislature setting a tax rate. I am attempting to address the issue on the same basis that a Board of Equalization sets the rate. They do not have the option of trying to address inherent inequities that the Legislature has established in basic law. They only deal with rates. I think we, if we are going to do this, also ought to only deal with rate in this issue. I am not in disagreement, you see, with those who plead there are some inequities and that is why I refer to LB 27. We have talked about the corporate tax. Let me suggest another inequity that involves individuals which is one that specifically was addressed in LB 27 in part and that was the fact that the rate picks up, a rate change picks up all the loss of revenue caused by basic adjustments in the federal law other than the federal rate. I think that is not right but that is how the laws currently stand. More significantly IRAs which only affect individuals also affects the rate that we will set or the Board of Equalization would have set had they been doing it in that the individual who utilizes an IRA reduces his state income tax load at the expense of the one who does not or cannot because we are raising a fixed amount of revenue from a law that has been passed by this Legislature. And I would hope that those who are interested in the Legislature setting the rate, those who are interested in the Board of Equalization setting the rate would keep in mind that rate setting has historically been a separate procedure with a couple of exceptions where we were involved but historically it has been merely a rate setting procedure in which we did not address substantive law changes. I think if you start the route of making substantive changes as they relate the rate you change the whole concept that we have used for determining the rates for twelve years irregardless of who sets it. It has never been a concern before when the Board of Equalization set the rate whether or not there were inequities that were not being addressed at the same time and I am merely taking the position I think that should be retained, that we adjust rate and rate only and if there are inequities that need to be addressed that inequity exists at 16, 18, 20, 22. It is immaterial that the rate is if there is a basic inequity that needs to be addressed. I would urge the body would reject the amendment at this point, recog-